
**Notice of Critical Status
for
Ironworkers Local Union 16 Pension Fund**

This is to inform you that on March 29, 2019 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical status for the plan year beginning January 1, 2019. Federal law requires that you receive this notice.

Critical Status

The plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the plan's actuary determined the plan was in critical and declining status in the prior year (the plan year beginning January 1, 2018) and that the plan is projected to have an accumulated funding deficiency for the current year.

Rehabilitation Plan

Federal law requires pension plans in critical or critical and declining status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. A pension plan in critical status is permitted under the law to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On or about March 23, 2012, you were notified that the Plan reduced or eliminated adjustable benefits, and that the Plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status. In 2013, 2014, and 2015, you were notified that the Plan further reduced or eliminated adjustable benefits with these changes effective September 1, 2013, June 1, 2014, October 1, 2015 and January 1, 2016.

Effective October 1, 2018, benefits were further reduced pursuant to the Multiemployer Pension Reform Act of 2014 ("MPRA"). These reductions affected primarily pensioners and surviving beneficiaries. You were previously notified of the details of these benefit reductions in August 2018 and provided the opportunity to vote on the proposed reductions. Following a vote in favor of the reductions, the United States Department of the Treasury approved the reductions. This is the eighth year the Plan has been in critical status. **As of the 2019 Certification by the Plan actuary, the Plan is not projected to become insolvent because of the benefit suspensions which took effect October 1, 2018.** Absent the benefit suspensions, the Plan would be projected to go insolvent.

Adjustable Benefits

The plan offers the following additional adjustable benefits which could be reduced or eliminated as part of any amended rehabilitation plan the plan trustees could adopt:

- Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA);
- Pre-retirement death benefits other than a qualified preretirement survivor annuity (QPSA).

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Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the plan is in critical status. The law provides that the employer surcharge ceases to apply on the effective date of a bargaining agreement that includes terms consistent with a rehabilitation plan.

Where to Get More Information

For more information about this Notice, you may contact the Ironworkers Local Union 16 Pension Fund, c/o Zenith American Solutions, 8600 LaSalle Road, Oxford Building – Suite 624, Towson MD 21286, or by phone at 410.828.5282. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 52-6148924. You have a right to receive a copy of the rehabilitation plan from the plan when it is completed.

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